

Distribution Date: May 10, 2013

New Mortgagee Letters 13-14 and 13-15/ Industry Call / Training Opportunities

## **FHA Mortgagee Letter 13-14**

**Published:** May 9, 2013

**Subject:** Minimum Cash Investment and Secondary Financing Requirements – Acceptable Documentation for Funds Provided by Federal, State, or Local Governments, their Agencies or Instrumentalities

**Purpose:** Mortgagee Letter 2013-14 sets forth the documentation mortgagees must provide to demonstrate eligibility for FHA mortgage insurance of loans when a Federal, State, or local government, its agency or instrumentality, directly provides the borrower's required Minimum Cash Investment in accordance with the principles set forth in the December 5, 2012 Interpretive Rule, Docket No. FR-5679-N-01. Additionally, this ML also provides mortgagees with guidance on resolving concerns with extending secondary financing by the Federal, State, or local government, its agency or instrumentality when those entities provide the borrower's required Minimum Cash Investment through secondary financing.

NOTE: This Mortgagee Letter addresses information previously provided in communication from FHA Commissioner Carol Galante. That communication is available via the following

link: <http://portal.hud.gov/hudportal/documents/huddoc?id=uphudrmincainvst.pdf>

FHA will hold an industry call to discuss ML 13-14 (see below).

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### **Industry Call to Discuss ML 13-14**

**Conference Call Title:** Minimum Cash Investment and Secondary Financing Requirements – Acceptable Documentation for Funds Provided by Federal, State, or Local Governments, their Agencies or Instrumentalities

**Date/Time:** Friday, May 17 from 12:00 PM to 1:00 PM Eastern

**Teleconference Number:** (800) 762-7308. Please begin dialing into the teleconference meeting 10 minutes early as the call will begin promptly at 12:00 PM Eastern.

**Description of Conference Call:** FHA Single Family Housing will host an industry conference call where staff will be available to provide an overview and address questions on the policy outlined in Mortgagee Letter 13-14.

**Who should attend?** FHA approved lenders. A separate conference call will be conducted for FHA approved non-profit organizations.

**Special Instructions:** There are a limited number of available conference call-in lines. In order to maximize the number of attendees we ask that offices with multiple participants call in from a single conference room where possible. If we determine that a significant number of callers were unable to access the call because of limited lines, we will offer a second session.

## **Mortgagee Letter 13-15**

**Published:** May 9, 2013

**Subject:** Updated Delinquency/Default Status Codes for the Single Family Default Monitoring System; Special Forbearances and Trial Payment Plans; New Reporting Requirement for Non-Incentivized Loan Modifications

**Purpose:** The purpose of this Mortgagee Letter is to:

- Introduce new status codes for reporting delinquent FHA-insured mortgages in the Single Family Default Monitoring System (SFDMS), and
- Announce a new reporting requirement for non-incentivized loan modifications of FHA-insured loans.

**Effective Dates:** The requirements to report each non-incentivized loan modification and to use these codes for delinquencies, defaults, and trial payment plans are effective six months from the date of this Mortgagee Letter.

## Training Opportunities

**Webinar Title:** Fundamentals of Insurance Endorsement

**Date/Time:** Wednesday, May 15, 2013 from 1:30pm to 3:00pm (Eastern Time)

**Registration Link:** <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1708&update=N>

**Description:** Join us for an informative 90-minute, HUD-sponsored webinar where we will discuss the insurance endorsement requirements and process. In addition, we will review the elements of the case binder, certification and reviews, late request for endorsement process, prerequisites of the mortgage notes and forms, and changes made after mortgage insurance. The presentation will review release of portion of security, change of location, housing approval of title exceptions, and the lender insurance program.

This webinar is designed for underwriters, loan officers, processors, brokers, agents and anyone new to FHA seeking a basic and general overview of FHA/HUD's mission and single-family insured loan programs.

**Special Instructions:** 48 hours prior to the event you will receive log-in instructions to Web-Ex. A copy of the presentation will be available on the day of the event.

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**Webinar Title:** Appraisal Course A: FHA Appraisal Requirements – Property Type

**Date/Time:** Wednesday, May 22, 2013 from 1:30pm to 3:00pm (Eastern Time)

**Registration Link:** <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1709&update=N>

**Description:** Join us for an informative 90-minute, HUD-sponsored webinar on FHA Appraisal Requirements. We will discuss the lenders and appraisers responsibilities as it relates to FHA guidelines. Discuss the marketability and value of the property and information about "For Your Protection Get a Home Inspection". You will learn about Minimum Property Requirements and Minimum Property Standards, as well as Appraisal Protocol.

This webinar is designed for appraisers, underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

**Special Instructions:** 48 hours prior to the event you will receive log-in instructions to Web-Ex. A copy of the presentation will be available on the day of the event.

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**Webinar Title:** Appraisal Course B - How to Review an FHA Appraisal

**Date/Time:** Wednesday, May 29, 2013 from 1:30pm to 3:00pm (Eastern Time)

**Registration Link:** <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1710&update=N>

**Description:** Join us for an informative 90-minute, HUD-sponsored webinar on How to Review an FHA Appraisals using the FNMA 1004, and how to review appraisals on more difficult property types; e.g., manufactured homes, 2 to 4 Units, Condominiums, and New Construction. We will discuss the condominium approval process, the common appraisal deficiencies, and how to spot potential fraud.

This webinar is designed for appraisers, underwriters, loan officers, processors, brokers, agents, any interested parties, and any individuals new to FHA.

**Special Instructions:** 48 hours prior to the event you will receive log-in instructions to Web-Ex. A copy of the presentation will be available on the day of the event.

**ADDITIONAL FHA EVENTS AND TRAINING OPPORTUNITIES CAN BE FOUND AT:** <http://bit.ly/FHAevents>